Schedule EZ 4 (Rev. 10/00) SF49177 **Tax Year Ending: Month________ Year_____**

Part 4 A To Determine Apportioned Gross Income from the Enterprise Zone

Name	Federal Identification Number

Use this schedule only if you cannot determine your taxable gross income from sources within the enterprise zone.

(Enter percent to two decimals, e.g. 67.89%)

		Column (a) Total Within the Zone	Column (b) Total Within and Outside the Zone		Column (c) Percent Within the Zone (a) ÷ (b)
1. **Property Factor** Average yearly value of real and tangible personal property used in the business whether owned or rented. (Owned property at original cost. Exclude property not connected with the business and the value of construction in process.)					
(a) Property reported on federal tax return at original cost	a				
(b) Fully depreciated assets still in use at cost	b				
(c) Inventories (including work in progress)	c				
(d) Other tangible personal property	d				
(e) Rented property (8 times the annual rental)	e				
Total Property Values: Add lines 1(a) through 1(e)				1	%
2. **Payroll Factor** Wages, salaries, commissions and other compensation of employees related to business income included in the return.					
Total Payroll Value:				2	%
3. **Receipts Factor** (less returns and allowances):					
(a) Sales delivered or shipped to the enterprise zone:					
(1) Shipped from within the zone					
(2) Shipped from outside the zone					
(b) Sales shipped from the zone to:					
(1) The United States Government					
(2) A location outside a zone where the only sales activity consists of the solicitation of orders which may be accepted but are not subject to approval or rejection at such location					
(c) Other gross business receipts					
Total Gross Receipts: Add column (a), lines 3(a), (b) and (c); Divide sum by the total of all receipts in column (b) and enter as a percent on column (c)				3	%
4. **Total Percent** (sum of percentages in column (c), lines 1, 2, and 3):				4	%
5. **Enterprise Zone Apportionment Percentage:** Divide total percent on line 4 by 3 if all three factors are present, or by the number of factors present in column (b)				5	%

Business Income - (This section must be completed - attach additional sheets if necessary)

Location City and State	Nature of Business Activity at Location	Accepts Orders? Yes	No	Registered to do Business? Yes	No	Files Returns in State? Yes	No	Property in State? Leased? Yes	No	Owned? Yes	No

Sales and General Questionnaire (This section must be completed - attach additional sheets if necessary)

(a) Briefly describe the nature of your enterprise zone business activities. ______________________________

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(b) Briefly describe the nature of activities of sales personnel operating and soliciting business in enterprise zones. ______________________________

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NOTE: A taxpayer that (1) Does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and (2) Is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone, is exempt from the allocation and apportionment provisions of I.C. 6-2.1-3-32.

I certify I have examined this schedule, and to the best of my knowledge and belief it is true, correct and complete. I further certify that Indiana business activities were not substantially reduced for the purpose of relocating the business in an enterprise zone.

______________________ ______________________ ______________________

Signature Title Date

Part 4 Enterprise Zone Gross Income Tax Exemption Calculation

Name	Federal Identification Number

NOTE: Part 4 of this Schedule should be used only by taxpayers filing Form IT-20, IT-20G or IT-20NP.

Location name of Enterprise Zone(s) or Airport Development Zone

Enter base year end (see instructions) and the current calendar/fiscal year end... **Base Year Ending:** **Current Year Ending:**

Line 4 applies to those taxpayers who are subject to the allocation and apportionment provisions used for determining income derived from sources within and outside the zone.

	A High Tax Rate Receipts	B Low Tax Rate Receipts	C High Tax Rate Receipts	D Low Tax Rate Receipts
1. Total gross receipts from all sources (Form IT-20, Schedule A)....	1	1	1	1
2. Total of nontaxable gross receipts (Schedule G) and income exemption......	2	2	2	2
3. **Indiana taxable gross income** (subtract line 2 from line 1)......	3	3	3	3
4. Portion of gross income on line 3 derived from sources outside the zone...	4	4	4	4
5. Amount of taxable or allocated gross income derived from sources within the zone (subtract line 4 from line 3). Enter here and on line 8.....................	5A	5B	5C	5D

Lines 6 and 7 apply only to taxpayers that are subject to the apportionment provisions. Part 4A must be completed.

	A	B	C	D
6. Indiana taxable gross income (from line 3 above)	6	6	6	6
7. Enterprise zone apportionment percentage(s) from Part 4 A, line 5...	7 %	7 %	7 %	7 %
8. **Total enterprise zone gross income** (multiply line 6 by percent on line 7) or enter amount from line 5, if applicable.............................	8A	8B	8C	8D

Tax year total receipts: Add lines 8A and 8B, enter here:_____________ Add lines 8C and 8D, enter here:__________

9. Total gross tax exemption (subtract the total of line 8 columns A and B from the total of columns C and D). If less than zero enter -0-.........	9	
10. **Qualified increased high rate enterprise zone income:** Subtract line 8A from line 8C. (May not be less than zero nor exceed line 9)......	10	
To find your tentative high gross tax rate savings, multiply line 10 by 1.2% (.012), enter here:..		
11. **Qualified increased low rate enterprise zone income:** Subtract line 8B from line 8D. (May not be less than zero nor exceed line 9)................	11	
To find your tentative low gross tax rate savings, multiply line 11 by .3% (.003), enter here:...		

Carry the amounts on lines 10 and 11 as nontaxable receipts to the gross income tax return, Form IT-20, Schedule G; or Form IT-20NP, Schedule F.

Part 4 Instructions for Gross Income Tax Exemption

I.C. 6-2.1-3-32 provides an exemption from gross income for qualified increased enterprise zone gross income. The exemption is equal to the amount by which gross income, derived from sources within the zone during the current tax year, exceeds the amount of gross income derived from sources within the zone during the base year.

Gross income derived from sources within the enterprise zone means:
(1) Gross income from real or tangible personal property located in the zone;
(2) Income from doing business in the zone;
(3) Income from a trade or profession conducted in the zone;
(4) Compensation for labor or services rendered within the zone; and
(5) Income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property having a situs in the enterprise zone.

Base Year means:
The 12 month period that immediately precedes the month in which the enterprise zone is established. Determine the monthly base period enterprise zone gross income by dividing the base year gross income by 12. For fiscal years, the increase that is exempt from gross income tax is determined by multiplying the monthly base period enterprise zone gross income by the number of months after the enterprise zone is designated that is included in the taxpayer's return and subtracting the sum from the enterprise zone gross income received during those months.

The start of the base period and additional information may be obtained from the local Urban enterprise Zone Association in each zone or the Indiana Department of Commerce, Community Development Division, Enterprise Zone Services, One North Capitol Avenue, Suite 600, Indianapolis, Indiana, 46204; or by telephone at (317) 232-8911.

Except as noted below, if business income derived from sources within an enterprise zone **cannot** be allocated (separated) from the business income derived from sources outside the zone, gross income must be apportioned by using Part 4A and completing lines 6 through 11 of Schedule EZ.

NOTE: A taxpayer is exempt from the allocation, on line 4, or apportionment provisions for computing income derived from the zone when it: (1) Does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and (2) Is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone. In such cases, all taxable Indiana gross income will be attributed to the zone.

COMPLETING PART 4

Lines 1 through 5 should be completed in full. Taxpayers that are subject to the apportionment provisions, prescribed under I.C. 6-2.1-3-32(d)-(p), must skip lines 4 and 5 and continue to line 6. (Refer to Part 1A instructions only for general apportionment guidelines).

Line 1 - Enter total gross receipts received during the base year and current year. If a taxpayer did not engage in an active trade or business within an enterprise zone during the base year, the base period gross income is zero. **All taxpayers must prorate their base year and tax year income in the first year of a zone's designation if the zone was designated as starting other than on a calendar year basis.** Otherwise, only short-year and fiscal-year taxpayers need to prorate both in the first year of designation. Following the year of designation the base year is always computed using a 12 month period and only short-year filers need prorate their income accordingly.

Line 2 - Enter other nontaxable gross receipts from all sources (Form IT-20, Schedule G) plus one gross income exemption (maximum $1000 each year). Prorate entries if necessary.

Line 4 - Unless otherwise exempt, enter the portion of Indiana gross income reported on line 3 that you can allocate as received from sources outside of the enterprise zone. (If your gross income cannot be separated within and outside the zone, go to line 6).

Line 6 - Enter Indiana taxable gross income from line 3.

Line 7 - Enter the apportionment percentage from Schedule EZ, Part 4 A, line 5 in each column for the base year and the current year. (A three-factor apportionment schedule must be completed for both the base year and the current year). The sales factor is not double - weighed for gross income tax purposes.

Line 8 - If line 6 is completed, multiply that amount by percent on line 7; otherwise, enter the amount from line 5.

Line 9 - This is your total qualified increased enterprise zone gross income. Entries for lines 10 or 11 may not exceed this amount or be less than zero.

Line 10 - Subtract the base year high rate receipts, line 8 column A, from the current year high rate receipts, line 8 column C.

Line 11 - Subtract the base year low rate receipts, line 8 column B, from the current year low rate receipts, line 8 column D.

To complete the gross income tax return, carry the qualified increased enterprise zone income amount on lines 10 and 11 to the appropriate annual gross tax return, Form IT-20 Schedule G, or Form IT-20NP Schedule F, and enter as nontaxable high and low tax rate gross receipts.